



Patrick W. Henning, Director



Arnold Schwarzenegger
Governor

March 16, 2009
22M:387:da:9009

Mr. John S. Lehn, Director
Kings County Job Training Office
124 North Irwin Street
Hanford, CA 93230

Dear Mr. Lehn:

**WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09**

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Kings County Job Training Office's (KCJTO) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. Dave Ajirogi from November 17, 2008 through November 21, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by KCJTO with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with KCJTO representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, KCJTO's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on January 22, 2009 and reviewed your comments and documentation before finalizing this report. Your response adequately addressed findings 1 and 2 cited in the draft report. However, these issues will remain open until we receive documentation requested in our conclusion for the specific findings. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 90045 and 90046.

BACKGROUND

The KCJTO was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, KCJTO was allocated: \$751,327 to serve 201 adult participants; \$790,092 to serve 185 youth participants; and \$563,042 to serve 123 dislocated worker participants.

For the quarter ending June 30, 2008, KCJTO reported the following expenditures for its WIA programs for PY 2007-08: \$675,306 for adult participants; \$716,898 for youth participants; and \$532,025 for dislocated worker participants. In addition, KCJTO reported the following enrollments for PY 2007-08: 192 adult participants; 178 youth participants; and 123 dislocated worker participants. We reviewed case files for 32 of the 178 participants enrolled in the WIA program as of November 17, 2008.

PROGRAM REVIEW RESULTS

While we conclude that, overall, KCJTO is meeting applicable WIA requirements concerning grant program administration; we noted instances of noncompliance in the following areas: WIB Composition and Youth Council. The findings that we identified in these areas, our recommendations, and KCJTO's proposed resolution of the findings are specified below.

FINDING 1

Requirement:

WIA Section 117(b)(2)(A)(iii) states, in part that the composition of the local Workforce Investment Board (WIB) shall include representative of local labor organizations. 20 CFR 661.315(a) states that the local WIB must contain two or more members representing the categories described in WIA Section 117(b)(2)(A)(iii).

Workforce Investment Act Directive 06-21 states, in part that at least 15 percent of local WIB members shall be representatives of labor organizations.

- Observation:** We found that the local WIB has a total of 28 members, but it has not appointed adequate labor representatives to ensure that labor union representation equals 15 percent of the WIB membership. Presently, the WIB has two labor representatives, and two more are needed to meet the 15 percent requirement. While KCJTO provided correspondence to demonstrate their efforts to appoint the required union representatives, the vacancies have existed since the release of WIAD06-21 on June 29, 2007.
- Recommendation:** We recommended that KCJTO provide the Compliance Review Office (CRO) with a corrective action plan (CAP), including a timeline, showing the steps it will take to fill the required labor vacancies. Once filled, we recommended that KCJTO provide CRO with a copy of an updated WIB roster.
- KCJTO Response:** The KCJTO stated that through the Central Labor Council, two representatives have been recruited to fill the WIB labor union vacancies. Once the appointments have been approved, a copy of the Board of Supervisors minutes will be forwarded to CRO.
- State Conclusion:** The KCJTO's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until KCJTO provides a copy of their new WIB roster showing that labor union vacancies have been filled. Until then, this issue remains open and has been assigned CATS number 90045.

FINDING 2

- Requirement:** 20 CFR Section 661.335(b)(2) states, in part, that the membership of each Youth Council must include a representative of youth service agencies, to include juvenile justice and local law enforcement representative.
- Observation:** We observed that KCJTO's Youth Council has one vacant seat for representatives of service agencies such as juvenile justice or local law enforcement agency. Since April 2008, and KCJTO is waiting approval from board to fill this vacant seat.

- Recommendation:** We recommended that KCJTO provide CRO with a CAP, including a timeline, and for appointing the required representative. We also recommended that once this vacancy is filled, that the KCJTO provide CRO with an updated youth roster.
- KCJTO Response:** The KCJTO stated that they accepted the recommendation and has recruited an individual to represent youth council juvenile justice or local law enforcement agency on the youth council. A copy of an updated youth roster will be forwarded to CRO.
- State Conclusion:** The KCJTO's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until KCJTO provides a copy of their new youth council roster, showing that youth council vacancy has been filled. Until then, this issue remains open and has been assigned CATS number 90046.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than April 14, 2009, please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is KCJTO's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain KCJTO's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review.

Mr. John Lehn

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March 16, 2009

If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005 or Mr. Dave Ajirogi at (916) 657-4591.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar". The signature is fluid and cursive, with the first name "Jessie" written in a larger, more prominent script than the last name "Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Greg Gibson, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Lydia Rios, MIC 50